

NEW HAMPSHIRE INSURANCE DEPARTMENT

169 Manchester Street
Concord, NH 03301-5151

Sylvio L. Dupuis
Insurance Commissioner

BULLETIN

TO: All Insurers Licensed to Sell Accident and Health Insurance,
Health Maintenance Organizations and
Non-Profit Health Service Corporations

FROM: New Hampshire Insurance Department

DATE: December 5, 1994

RE: Chapter 294, Laws of 1994 (SB 711)

URGENT

It has come to our attention that a number of carriers with existing health insurance business subject to Chapter 294 are unlikely to have community rates approved by this Department available for use as of January 1, 1995, the date Chapter 294 becomes effective.

Chapter 294 requires that the premium rates charged either individuals or small employers be based solely on a community rating basis. With respect to any business in existence prior to January 1, 1995, Chapter 294 requires premium rates based on community rating to be in place as of the first annual renewal date or anniversary date occurring on or after January 1, 1995. Obviously, a carrier without approved community rates will be unable to comply with the requirements of Chapter 294 with respect to any business, either individual or group, that has a renewal or anniversary date prior to the date the carrier's community rates are approved by this Department.

Those carriers who are unable to comply with Chapter 294 when required to do so with respect to any individual or small employer because they lack approved community rates shall be required by this Department to non-renew any business that will not receive community rates on the date required by Chapter 294. Any carrier who will be required to non-renew any individual or small employer shall notify the individual or small employer as soon as possible in order to facilitate obtaining replacement coverage from a carrier that does have approved community rates.

Chapter 294 also contains provisions that will require policy forms to be changed or revised so that they will comply with Chapter 294. With respect to existing business, carriers should amend or endorse such policy forms as of the date Chapter 294 becomes effective with respect to these existing policy forms. However, if the proper amendment or endorse is not made to an existing policy upon the proper date, the Department expects the carrier to administer such existing policies as if they had been amended and brought into full compliance with Chapter 294.

Carriers are advised to direct any questions they have regarding the directives stated in this Bulletin to either **David Nichols, Assistant Commissioner, or Robert Warren, Director, Life, Accident and Health Division.** Both can be reached at **603-271-2261** or by FAX, **603-271-1406.**